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Both Sides Mum in MagCorp Lawsuit

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EPA filing says firm ignores hazardous waste law, should pay more than \$900 million

BY JUDY FAHYS
SALT LAKE TRIBUNE



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Neither side is making public comments in the latest round of legal sparring between the U.S. Environmental Protection Agency and Magnesium Corporation of America.

The EPA sued MagCorp two months ago over the Utah company's refusal to comply with the nation's top hazardous-waste management law. The agency wants the U.S. District Court in Salt Lake City to fine the magnesium company more than \$900 million and get the money, if need be, from a New York trust that owns MagCorp's parent companies and from its officers.

Two Salt Lake legal teams are involved in the company's initial response, which was made last week. Michael D. Zimmerman, the former chief justice of the Utah Supreme Court, and Alan L. Sullivan, chairman of an advisory panel on Utah Constitutional law, represent the controversial New York billionaire whose Rennert Trusts are targeted in EPA's case.

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"We are not going to litigate this in the press," said Tom Tripp, plant manager at the magnesium-processing company, which is about an hour's drive west of Salt Lake City.

"We will make our case in court," said Christine Romano, a spokeswoman for EPA. "We feel like we have a pretty good case."

MagCorp has been fighting hazardous waste oversight by environmental regulators for nearly a decade, and the lawsuit represents a breakdown in negotiations on the issue. MagCorp insists Congress granted its magnesium-making process an exemption from the 1976 Resource Conservation and Recovery Act, the nation's law on toxic waste products.

The EPA agrees that some MagCorp waste is exempt but holds others are not, including the hazardous byproducts of other products the company makes, such as liquid chlorine, hydrochloric acid, calcium chloride, potassium, and ferrous and ferric chloride.

**Corporation -
MAGCORP**

For instance, the EPA says MagCorp should keep track of hexachlorobenzene (HCB), a hazardous byproduct found at the Rowley plant that may cause cancer and have harmful health effects. The waste law requires most companies to track HCB until it is disposed.

MagCorp, the world's third-largest magnesium producer, operates a plant on 4,525 acres in Rowley, Tooele County, about 23 miles northwest of Grantsville. It filters minerals from Great Salt Lake brine that generated about \$150 million in sales in 1999.

The lawsuit asserts that MagCorp's parent companies, their officials and the trusts that own them have been siphoning revenues from MagCorp, leaving the Utah company with a deficit of at least \$14 million.

The Renco Group, a holding company owned almost entirely by New Yorker Ira Rennert, is a conglomerate with businesses that make steel, process lead, mine coal and manufacture the Humvee vehicles used in the Gulf War.

The recent filings in the EPA lawsuit appear to assert an arms-length relationship between Rennert, fellow trustees, their businesses and MagCorp.

For example, the affidavit of Justin W. D'Atri asserts that the trusts and trustees like himself never have received money or property from the companies, only stock. And they don't make decisions about day-to-day operations, such as waste disposal, he said.

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